



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

**SUBJECT: SUNCREST AVENUE
SANITARY SEWER
REPLACEMENT PROJECT**

DATE: 05-24-04

Approved

Date

Council District: 4

RECOMMENDATION

Report on bids and award of contract for the Suncrest Avenue Sanitary Sewer Replacement Project to the low bidder, Pacific Underground Construction in the amount of \$237,980, and approval of a contingency in the amount of \$24,000.
CEQA: Exempt, PP04-02-031.

BACKGROUND

The Suncrest Avenue Sanitary Sewer Replacement Project will replace an existing 6-inch vitrified clay pipe (VCP) that serves a residential area along Suncrest Avenue between Colonial Lane and Burgundy Drive (map attached). The project was developed in response to a videotape inspection that identified separation at the joints between the existing pipe segments. This resulted from the natural earth movements and extreme vertical grades along this portion of Suncrest Avenue.

In order to maintain the sanitary sewer structural integrity, the proposed project will replace approximately 1,000 linear feet of 6-inch diameter VCP sewer with High Density Polyethylene (HDPE) pipe. The HDPE pipe is fused together as opposed to a standard mechanical joint. Therefore, the pipe segments between the manholes will act as a continuous flexible segment of pipe. This project will require open cut construction. All the necessary precautions and safe guards such as traffic control, noise and odor controls and a sewer diversion will be in place to minimize disturbance in the surrounding neighborhood.

Construction is scheduled to begin in September with completion in November 2004.

ANALYSIS

Bids were opened on May 11, 2004, with the following results:

| <u>Contractor</u> | <u>Bid Amount</u> | <u>Variance Amount</u> | <u>Over/ (Under) Percent</u> |
|---------------------------------------------------|-------------------|----------------------------|----------------------------------|
| Engineer's Estimate | \$266,540 | -- | -- |
| D'Arcy & Harty Construction (San Francisco) | 253,840 | 12,700 | (5) |
| K. J. Woods Construction, Inc. (San Francisco) | 238,000 | 28,540 | (11) |
| Pacific Underground Construction (San Jose) | 237,980 | 28,560 | (11) |

The low bid submitted by Pacific Underground Construction is 11 percent under the Engineer's Estimate. Staff considers this reasonable for the work involved. The lower than estimated bid can be attributed to a competitive bidding environment.

Council Policy provides for a standard contingency of 10 percent on public works projects involving underground utilities. The standard contingency is appropriate for this project.

PUBLIC OUTREACH

To solicit contractors, this project was listed on the City's Internet Bid Line and advertised in the *San José Post Record*. Bid packages for all Department of Public Works construction projects are provided to various contractor organizations and builder's exchanges.

COORDINATION

This project and memorandum have been coordinated with the Departments of Transportation, Finance, Planning, Building and Code Enforcement, the City Attorney's Office and the City Manager's Budget Office.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$237,980

2. COST OF PROJECT:

| | |
|------------------|------------------|
| Project Delivery | \$114,900* |
| Construction | 237,980 |
| Contingency | 24,000 |
| TOTAL | <u>\$376,880</u> |

*47,653 of the Project Delivery costs were expended in prior fiscal years.

3. SOURCE OF FUNDING: 545 – Sewer Service and Use Charge Capital Improvement Fund

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The proposed operating and maintenance costs of this project have been reviewed, and it has been determined that the project will have no significant adverse impact on the General Fund operating budget.

BUDGET REFERENCE

| Fund # | Appn. # | Appn. Name | RC # | Total Appn. | Amt. for Contract | 2003-2004 Adopted Capital Budget Page | Last Budget Action (Date, Ord.No.) |
|--------|---------|---------------------------------------|--------|-------------|-------------------|---------------------------------------|------------------------------------|
| 545 | 4271 | Miscellaneous Rehabilitation Projects | 048093 | 6,846,000 | 237,980 | 148 | 10/14/03, Ord. No. 26997 |

CEQA

Exempt, PP04-02-031.

KATY ALLEN
Director, Public Works Department